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September 11, 2009

VIA E-FILING

Charles L. A. Terreni, Esquire
Chief Clerk and Administrator
South Carolina Public Service Commission
101 Executive Center Drive
Columbia, SC 29210

RE: Application of LMK Communications, LLC for a Certificate of
Public Convenience and Necessity to Provide Interexchange and
Local Exchange Telecommunications Services and for Local Service
Offerings to be Regulated in Accordance with Procedures
Authorized for NewSouth Communications in Order No. 98-165
in Docket No. 97-467-C; and for Interexchange Service Offerings
to be Regulated in Accordance with Procedures Established for
Alternative Regulation in Order Nos. 85-1734 and 96-55 in Docket
No. 95-661-C
Docket No.: 2009-300-C

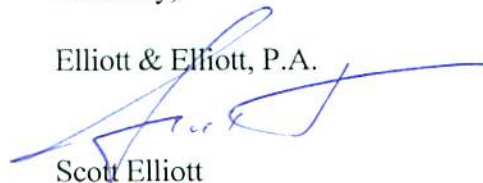
Dear Mr. Terreni:

Enclosed please find the pre-filed **Direct Testimony of Jennifer Menge** filed on behalf of LMK Communications, LLC in the above referenced docket. By copy of this letter, I am serving all parties of record.

If you or your staff have questions, please feel free to contact me.

Sincerely,

Elliott & Elliott, P.A.



Scott Elliott

SE/jel

Enclosures

cc: All Parties of Record w/enc.
Joseph Isaacs, Esquire

1 STATE OF SOUTH CAROLINA
2
3 BEFORE THE SOUTH CAROLINA PUBLIC SERVICE COMMISSION
4

5 DOCKET NO. 2009-300-C
6

7 Application of LMK COMMUNICATIONS LLC)
8 For a Certificate of Public Convenience and Necessity)
9 to Provide Interexchange and Local Exchange)
10 Telecommunications Services and for local service)
11 and for flexible regulation of local exchange service and)
12 alternative regulation of its long distance service offerings)

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16 LMK COMMUNICATIONS LLC
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18 Testimony of
19

20 JENNIFER MENGE
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1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND TELEPHONE**
2 **NUMBER.**

3 **A.** My name is JENNIFER MENGE. My business address is 9209 Baileywick Road, Suite
4 203, Raleigh, North Carolina, 27615. My telephone number is (919) 270-9833.

5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 **A.** I am the Assistant Secretary and Assistant Treasurer for Clarity Communications Group,
7 Inc. which is the sole owner of LMK Communications LLC ("LMK"), the Applicant in
8 this proceeding, and its parent company Clarity Communications Group, Inc.

9 **Q. WHAT ARE YOUR RESPONSIBILITIES WITH LMK CORPORATION?**

10 **A.** As Secretary and Treasurer of LMK, I am responsible for LMK's day-to-day operations,
11 excluding sales and marketing, for the company's ongoing profitability. I also oversee the
12 financial responsibility of the Applicant's parent company.

13 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND,**
14 **PROFESSIONAL EXPERIENCE.**

15 I have extensive professional and industry specific experience necessary to ensure
16 LMK's continued success. I hold a Masters of Accounting degree and worked as a Senior
17 Tax Associate for 5 years in public accounting, working for both global and local
18 accounting firms including Pricewaterhousecoopers. My telecommunications experience
19 is evidenced by working as the Chief Financial Officer for LMK and its parent company,
20 Clarity, for the past 8 years. I have worked in management capacities for the past 8 years
21 overseeing all aspects of billing, customer service, collections, financial reporting, tax
22 and regulatory compliance.

1 Q. HAS LMK REGISTERED TO DO BUSINESS IN SOUTH CAROLINA?

2 A. Yes, LMK has obtained authorization from the South Carolina Secretary of State.

3 Q. ARE YOU FAMILIAR WITH THE APPLICATION SUBMITTED BY YOUR
4 COMPANY TO THIS COMMISSION?

5 A. Yes, I am.

6 Q. DID YOU HAVE HELP IN PREPARING THIS TESTIMONY?

7 A. Yes, I did. LMK's Chief Regulatory Officer, Joseph Isaacs aided in the preparation of my
8 testimony.

9 Q. DO YOU CONFIRM THE STATEMENTS AND REPRESENTATIONS MADE IN
10 THAT APPLICATION?

11 A. Yes, I do.

12 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

13 A. My testimony addresses LMK's practices and proposed South Carolina services, and
14 demonstrates that LMK possesses the financial, technical, managerial, and operational
15 capabilities to operate as a provider of competitive local exchange and Interexchange
16 telecommunications services in South Carolina, as well as LMK's intent to comply with
17 all applicable Commission regulations.

18 Q. PLEASE DESCRIBE THE AUTHORITY THAT LMK SEEKS FROM THE
19 COMMISSION.

20 A. LMK seeks a certificate of authority to provide resold and facilities-based local exchange
21 and Interexchange telecommunications services throughout the State of South Carolina.
22 LMK proposes to provide its services through the resale of ILEC services and via a UNE
23 platform of AT&T within the State of South Carolina.

1 **Q. HAS LMK OR ITS AFFILIATES BEEN AUTHORIZED TO PROVIDE SUCH**
2 **SERVICE IN ANY OTHER JURISDICTIONS?**

3 **A. Yes, LMK is authorized to provide such services in both North Carolina and Virginia.**
4 **LMK currently has pending petitions in Georgia and Tennessee.**

5 **Q. HAS LMK EVER BEEN DENIED AUTHORIZATION BY A STATE**
6 **REGULATORY AGENCY?**

7 **A. No, LMK has never been denied authorization by any State or Federal regulatory agency.**

8 **Q. HAS LMK PROVIDED SERVICE UNDER ANY OTHER NAME?**

9 **A. LMK does provide telecommunications services under the name “Clarity”.**

10 **Q. HAVE ANY COMPLAINTS OR JUDGEMENTS BEEN LEVIED AGAINST THE**
11 **COMPANY?**

12 **A. No complaints or judgments have been levied against the company.**

13 **Q. PLEASE DESCRIBE THE CORPORATE STRUCTURE OF LMK**

14 **A. LMK is a Limited Liability Company organized under the laws of the State of North**
15 **Carolina. A copy of the Articles of Incorporation are attached to LMK’s application as**
16 **Exhibit “A”. LMK currently employs 5 individuals in administration, sales and**
17 **marketing, accounting, and operations positions. LMK has not or does not currently**
18 **provide local service in South Carolina under any other name. LMK is a wholly owned**
19 **subsidiary of Clarity Communications Group, Inc.**

1 **Q. PLEASE ADDRESS LMK'S MANAGERIAL AND TECHNICAL QUALIFICA-**
2 **TIONS.**

3 **A.** LMK possesses the managerial and technical qualifications to provide local exchange and
4 Interexchange telecommunications service in South Carolina. LMKs management team
5 has considerable experience in marketing, network operations, financial
6 analysis/accounting, customer service, training, sales, regulatory, and other relevant
7 areas. A description of the telecommunications experience and expertise of LMK's key
8 management personnel is attached to LMK's application at Exhibit "D". As the resumes
9 of LMK's key personnel reflect, these individuals have substantial experience in various
10 aspects of telecommunications operations. Each member of LMK's management team
11 will draw upon his or her own experience, as well as the collective experience of the
12 entire management team, to ensure that LMK is managed and operated efficiently and
13 profitably.

14 **Q. PLEASE DESCRIBE LMK'S FINANCIAL QUALIFICATIONS.**

15 **A.** LMK is financially qualified to provide the proposed telecommunications services within
16 South Carolina. (Please see Financial Statements attached to the Application).

17 **Q. PLEASE DESCRIBE THE TYPES OF SERVICES THAT LMK PROPOSES TO**
18 **OFFER IN SOUTH CAROLINA.**

19 **A.** LMK seeks authority to provide competitive local exchange and Interexchange
20 telecommunications services through resale, and via a UNE platform, of the services of
21 other certificated carriers including BellSouth d/b/a AT&T South Carolina and Alltel.
22 LMK intends to offer mainly voice and data communications services, including but not
23 limited to providing basic local telephone service, operator assisted calling services and

1 data services to business customers. The Company intends to offer private line and
2 advanced broadband services in areas where those services are not currently available.

3 **Q. HOW WILL LMK PROVIDE THESE SERVICES?**

4 **A.** LMK will resell or utilize the services of existing facilities-based carriers in South
5 Carolina, including the services offered by incumbent local exchange carriers ("ILECs")
6 and other competitive local exchange carriers ("CLECs"). In addition, where
7 appropriate, LMK will provide its telecommunications services through combination of
8 unbundled network elements provided by the ILECs and other CLECs. LMK currently
9 plans to own facilities in South Carolina in the future, and thus seeks authority to provide
10 both facilities-based and resold local exchange and Interexchange telecommunications
11 services in South Carolina. Until LMK determines exactly where market conditions
12 warrant installation of its own facilities, LMK will provide its services primarily on a
13 resold basis.

14 **Q. WHAT GEOGRAPHIC AREAS WILL LMK SERVE?**

15 **A.** LMK seeks authority to provide resold and facilities-based local services and resold
16 interexchange services throughout the state of South Carolina. At the present time, LMK
17 intends to provide local exchange service primarily in the geographic areas currently
18 served by Bellsouth. However, LMK requests statewide authority so that it may expand
19 its service areas in the future as market conditions warrant.

20 **Q. HOW DOES LMK INTEND TO MARKET ITS SERVICES?**

21 **A.** LMK intends to utilize in-house marketing staff as well as outside salespersons and
22 agents.

1 **Q. HOW WILL LMK RESPOND TO CUSTOMER INQUIRIES AND**
2 **COMPLAINTS?**

3 **A.** LMK will handle customer service orders, requests, inquiries, and/or complaints through
4 its national toll-free number (877-925-2748). This number will be printed on customer
5 invoices. LMK's customer service center is currently available between the hours of
6 8:00 am to 6:00 pm EST Monday through Friday, as well as 9:00 am to 2:00 pm
7 Saturday, and is staffed by knowledgeable customer service representatives. In addition,
8 customers may call 1-800-852-2957 extension 101, for customer service. As the
9 Company's customer base grows, the Company will establish a customer service center
10 that is available twenty-four hours a day, seven days a week. Resolution and/or
11 escalation of customer service complaints will be handled in conformity with applicable
12 Commission regulations.

13 **Q. WHO IS THE PERSON WITHIN LMK THAT IS RESPONSIBLE FOR THE**
14 **HANDLING OF CONSUMER COMPLAINTS, INCLUDING THOSE THAT**
15 **MAY BE FORWARDED TO THE COMPANY BY THIS COMMISSION?**

16 **A.** Initially, I will assume overall responsible for handling consumer complaints.

17 **Q. IF AUTHORIZED TO PROVIDE COMPETITIVE TELECOMMUNICATIONS**
18 **SERVICES, WILL LMK ABIDE BY THE RULES, REGULATIONS, POLICIES**
19 **AND ORDERS OF THIS COMMISSION, AND THE LAWS OF THE STATE OF**
20 **SOUTH CAROLINA, IN ITS PROVISION OF COMPETITIVE INTRASTATE**
21 **LOCAL EXCHANGE AND INTEREXCHANGE SERVICES, AS NOW**
22 **ADOPTED OR THAT MAY BE ADOPTED?**

1 **A.** Yes we will. As a new player in the competitive local service industry, LMK will
2 provide service in the State in full compliance with any and all rules and regulations that
3 have been or may be adopted relating to the provision of local exchange and
4 Interexchange services, as well as any other applicable state or federal rules, regulations,
5 or statutes. For example, LMK will comply with any requirements that the Commission
6 and/or the State of South Carolina may feel are necessary to preserve and advance
7 universal service, protect the public safety and welfare, ensure the continued quality of
8 local services, and safeguard the rights of consumers. LMK will also comply with all
9 statutory and Commission requirements including the filing of tariffs; customer
10 notification of rate increases; customer billing and credit issues; access to 9-1-1 services;
11 access to telecommunications for persons with disabilities; pay-per-call services; and the
12 filing of regulatory reports and the payment of regulatory assessments, the preservation
13 of records and procedures governing the establishment of credit, billing, deposits,
14 termination of service, and issuance of telephone directories. LMK does not plan to offer
15 pay per call services.

1 **Q. DID LMK REQUEST ANY WAIVERS IN ITS APPLICATION?**

2 **A.** Yes, LMK has requested waivers from any requirements that its financial records be
3 maintained in conformance with the Uniform System of Accounts. We currently maintain
4 our records in accordance with GAAP; and therefore, do not possess the detailed cost
5 data required by USOA. In addition we requested a waiver of 26 S.C. Reg. 103-610's
6 requirement that our books be kept in South Carolina. Our records are currently
7 maintained in North Carolina at our corporate facility. Maintaining its books and records
8 in South Carolina would be unduly burdensome. LMK has a registered agent in South
9 Carolina and will bear any costs associated with the Commission's inspection of its
10 books and records. We also requested to be exempt from the publication of a local
11 directory. We will make arrangements with the incumbent carrier to include our
12 customers in the directory published by the incumbent LEC. Because its service territory
13 will mirror those of the incumbent's, LMK has requested a waiver of the map filing
14 requirement.

15 **Q. WILL LMK'S USE OF GAAP PROVIDE SUFFICIENT DETAIL FOR THE**
16 **CALCULATION OF APPLICABLE TAXES?**

17 **A.** LMK will maintain sufficient detail to facilitate the calculation of applicable taxes
18 including the preparation of the South Carolina Gross Receipt Tax returns.

19 **Q. DID LMK REQUEST FLEXIBLE REGULATORY TREATMENT FOR ITS**
20 **LOCAL EXCHANGE SERVICES?**

1 **A.** Yes, the Company will be a non-dominant, competitive provider of local exchange
2 telecommunications services. Therefore, we request that the Commission regulate our
3 company in the same relaxed fashion authorized in Order No. 98-165 in Docket No. 97-
4 467-C and extended to other similarly situated carriers. We understand that the flexible
5 regulatory treatment requires that we file maximum rates for our service offerings. Local
6 tariff filings would be presumed valid once they are filed subject to the Commission's
7 right to investigate the filing within thirty (30) days.

8 **Q. WHAT REGULATORY TREATMENT IS LMK SEEKING IN THIS**
9 **APPLICATION FOR ITS LONG DISTANCE BUSINESS SERVICES,**
10 **CONSUMER CARD SERVICES, PRIVATE LINE SERVICES AND OPERATOR**
11 **ASSISTED SERVICES OFFERINGS?**

12 **A.** LMK requests that all its business service offerings be regulated pursuant to the
13 procedures described and set forth in Docket No. 95-661-C and modified by Order No.
14 2001-997 in Docket No. 2000-407-C. It is LMK's intent by this request to have its long
15 distance business services, consumer card services, any future private line services, and
16 operator assisted services regulated in the same manner the Commission has permitted
17 for AT&T Communications.

18 **Q. HOW WILL SOUTH CAROLINA CONSUMERS BENEFIT FROM LMK**
19 **SERVICES?**

1 A. Granting of LMK's Application will introduce a telecommunications service provider
2 committed to providing high quality, innovative, and technologically advanced services
3 that will further increase telecommunications services in South Carolina. LMK's network
4 with utilize state-of-the-art technology. LMK's service offerings will increase consumer
5 choice, improve the quality and efficiency in telecommunications services and will likely
6 lead to the reduction of consumer costs, as well as stimulate development of additional
7 services by providing competitive incentives to other providers. Thus, granting LMK's
8 application is in the public interest.

9 **Q. HOW WILL LMK GUARD AGAINST SLAMMING?**

10 A. As a new competitive entrant into the market, LMK has never had an incident of
11 slamming or any other form of customer complaint. LMK will comply with South
12 Carolina law and the recently revised Federal Communications Commission's ("FCC's")
13 regulations regarding how carriers may change a consumer's local exchange carrier or
14 Primary Interchange Carrier ("PIC"), pursuant to 47 C.F.R. §64.1110 *et seq.*. In general,
15 primary local exchange carrier or PIC changes will require the customer's signature.

16 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

17 A. Yes, it does. I reserve the right, however, to amend or modify my testimony, as
18 appropriate.

CERTIFICATE OF SERVICE

The undersigned employee of Elliott & Elliott, P.A. does hereby certify that she has served below listed parties with a copy of the pleading(s) indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

RE: Application of LMK Communications, LLC for a Certificate of Public Convenience and Necessity to Provide Interexchange and Local Exchange Telecommunications Services and for Local Service Offerings to be Regulated in Accordance with Procedures Authorized for NewSouth Communications in Order No. 98-165 in Dockets No. 97-467-C; and for Interexchange Service Offerings to be Regulated in Accordance with Procedures Established for Alternative Regulation in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C

DOCKET NO.: 2009-300-C

PARTIES SERVED: Nanette S. Edwards, Esquire
Office of Regulatory Staff
P. O. Box 11263
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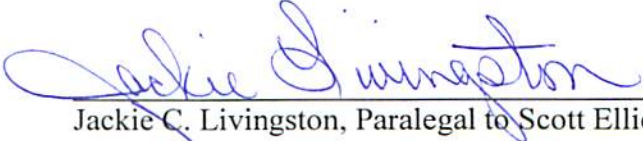
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PLEADING: DIRECT TESTIMONY OF JENNIFER MENGE

September 11, 2009


Jackie C. Livingston, Paralegal to Scott Elliott